



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

January 20, 2009

Kevin Sprokes, President/CEO
Volusion, Inc.
4100 Guardian Street Suite 120
Simi Valley, CA 93063

Dear Mr. Sprokes:

RE: FINAL MONITORING VISIT REPORT – VOLUSION, INC. - ET08-0346

Date of the Visit:	01/15/09
Beginning/Ending Time:	1:00 p.m. - 3:30 p.m.
Date of Last Visit:	05/13/08
Visit Location:	Simi Valley
Persons in attendance:	Carla Millis, Director of HR, Volusion, Inc. Lan Vuong, ETP Project Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	01/29/08 – 01/28/09	Agreement Amount:	\$20,800
Training Start Date	01/29/08	No. to Retain:	20
Date Training must be completed:	10/28/08	Range of Hours:	8 – 60
Type of Trainee:	Retrainee	Weighted Average:	40

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FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on February 22, 2008, and training began on January 29, 2008. Ms. Millis reported that all training was completed on October 28, 2008, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – January 28, 2009.

ETP approved one Agreement Modification on 06/20/08, to add Project Manager, Quality Assurance, and Systems Administrator to the list of Occupations.

ETP also approved requests on 04/29/08 and on 11/19/08, to change contract representative, contract address, and phone number.

• FINAL PROJECT STATISTICS

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 8 and 60 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 8 hours of training from the approved curriculum.

Although Chart 1, Exhibit A of the Agreement, specified that 20 trainees would be retained, Ms. Millis reported that 28 trainees completed training and the 90-day retention period. This resulted in a completion rate of 140 percent of the number of trainees and approximate earnings of \$19,403.28 which is 93 percent of the Agreement amount.

The following chart shows a breakdown of training hours and projected reimbursement as shown on the ETP Online Tracking System:

TYPE OF TRAINING	HOURS COMPLETED	PROJECTED REIMBURSEMENT
Class/Lab	746.28	\$19,403.28
Total	746.28	\$19,403.28

To date, your company has submitted \$12,605.00 in progress payments; therefore you will receive an additional \$6,798.28, if the anticipated number to retain is verified during the final fiscal closeout.

Ms. Millis informed the Analyst that she will submit the final contract closeout invoice and associated documents to ETP on or before the close of business on **February 28, 2009**.

• INTERVIEW WITH CONTRACTOR'S REPRESENTATIVE

Ms. Millis reported that the company was not able to provide all the training originally intended in this Agreement due to the following reasons: trainees left the company before completing a minimum of 8 training hours; trainees left before completing retention; and the company was unable to release employees for training due to production needs.

Ms. Millis reported that although Volusion, Inc. did not earn 100 percent of the available funds, the training provided to the trainees in Business Skills was very beneficial and practical to their jobs. As the result, they have better communication social skills with their co-workers and customers.

She also stated that she did not experience any problem with ETP record keeping and that ETP staff was very helpful in providing assistance in the administration of this project.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	37	Completed Training:	28
Trainees Enrolled:	37	In Retention Period:	2
Dropped Following Enrollment:	9	Completed Retention	26
Completed Minimum Hours for reimbursement:	28		

The project statistics provided by you matches those listed on the ETP Contract Status Report.

TRAINING RECORDS

Ms. Vuong conducted a random sampling of ten trainees who completed training and retention. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 8 and 60 total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact Lan Vuong within ten (10) working days at (818) 755-1306 or by email at lvuong@etp.ca.gov if you have any questions or comments.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

Lan Vuong, Project Analyst
North Hollywood Regional Office

cc: Carla Millis, Director of HR, Volusion, Inc. (via email)

David Guzman, Chief, ETP Program Operations Division (via email)
Kulbir Mayall, Manager, Fiscal and Certification (via email)

Master File
Project file

Date report mailed to Contractor 1/22/09